REMARKS

The enclosed is responsive to the Examiner's Office Action mailed on November 24, 2009. By way of the present response, applicant has: 1) amended claims 1 and 15-17; 2) added no claims; and 3) canceled no claims. No new matter has been added. Reconsideration of this application as amended is respectfully requested.

Objection to the Abstract

The Examiner objected to the Abstract as allegedly being too short to significantly convey the content of the application. Applicant respectfully disagrees and submits that the abstract fulfilled the intended purpose of enabling "the United States Patent and Trademark Office and the public generally to determine quickly from a cursory inspection the nature and gist of the technical disclosure." (37 CFR §1.72(b)). In the interest of furthering prosecution, however, applicant has amended the Abstract to include further detail. It is respectfully submitted that support for the amended Abstract is found in the specification as originally filed. No new matter has been added.

Accordingly, applicant submits that the objection to the Abstract has been overcome.

Claim Rejections - 35 U.S.C. § 112

Claims 1, 15, and 16 stand rejected under 35 U.S.C. §112, second paragraph, as allegedly being indefinite. Specifically, the Examiner states that it "is unclear how 'an investment fund' … can have a human quality such as 'wanting.'" (Office Action dated 11/24/09, page 4). Applicant respectfully disagrees with the Examiner that the word

“want” and its various forms (e.g., “wanting”) is somehow limited to use in the context of human qualities. Definitions for “want” include: to fail to have, to lack, or to “need or require <**That fence *wants* repair**.>.” (Webster’s II New College Dictionary, Houghton Mifflin Company, 2001, pg. 1244) (italics in original, bold added as emphasis). Definitions for “wanting” include lacking, absent, and without - “<**a car *wanting* fenders**>.” (Webster’s II New College Dictionary, Houghton Mifflin Company, 2001, pg. 1244) (italics in original, bold added as emphasis). Applicant respectfully submits that the examples above demonstrate the proper use of want and wanting as applied to inanimate/non-human subjects.

Accordingly, applicant submits that the rejection of claims 1, 15, and 16 under 35 U.S.C. §112 has been overcome.

Claims 17, 22, and 23 stand rejected under 35 U.S.C. §112, second paragraph, as allegedly being indefinite. In particular, the Examiner argues that the use of gerunds in the body of a computer-readable storage medium claim results in the combining of two different statutory classes. Applicant respectfully disagrees. In the interest of furthering prosecution, however, applicant has amended the claims to take the respective verbs out of gerund form.

Accordingly, applicant submits that the rejection of claims 17, 22, and 23 under 35 U.S.C. §112 has been overcome.

Claim Rejections – 35 U.S.C. § 101

Claims 17, 22 and 23 stand rejected under 35 U.S.C. § 101 as allegedly overlapping two different statutory classes of invention. Applicant respectfully disagrees. In the interest of furthering prosecution, however, applicant has amended the claims to take the respective verbs out of gerund form.

Accordingly, applicant submits that the rejection of claims 17, 22, and 23 under 35 U.S.C. §101 has been overcome.

Claim Rejections – 35 U.S.C. § 103

Claims 1-3, 5-18, 20 and 22-23 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 7,035,820 by Goodwin et al. (hereinafter "Goodwin") in view of U.S. Patent Publication No. 2003/0074300 by Norris (hereinafter, "Norris") and further in view of Critics Say Government's Market Stabilization Policy Short-Sighted in the Korea Herald (hereinafter, "the Herald").

Goodwin describes a data processing system for buying and selling commercial loans on the secondary whole loan market, allowing sellers to quickly and effectively reach a broad and qualified investor audience and reduce the significant time and cost associated with conducting traditional due diligence. (Goodwin, col. 1, line 17 – col. 2, line 19). Applicant does not admit that Goodwin is prior art and reserves the right to swear behind Goodwin at a later date.

Norris describes a repurchase agreement lending facility for debt issued by a business (i.e., bonds) in order to allow the business to increase the ease of selling the debt without movement in price due to the debt going "special" and being "squeezed."

(Norris, paragraphs [0002] – [0007]). Applicant does not admit that Norris is prior art and reserves the right to swear behind Norris at a later date.

The Herald describes a South Korean government market stabilization package to provide liquidity to investment trust companies and brokerage houses through lowering interest rates, loaning money from reserves, and repurchase agreements. (The Herald, pages 1-2, paragraph 2).

Claim Interpretation

The Examiner has interpreted claims 15 and 18 (which is dependent upon 15) as including a system comprising and processor and a memory, but alleges that the remainder of the claim states an intended use of the memory and processor that does not structurally distinguish the claims from the prior art. Applicant respectfully disagrees. In the interest of furthering prosecution, however, applicant has amended claim 15 to clarify that the remainder of the claim recites features of the system, not merely an intended use.

The Examiner further states that claims 15-18, 20, 22, and 23 use the phrase "whereby" or "wherein" and that the a "'whereby' clause that merely states the result of the limitations in the claims adds nothing to the patentability or substance of the claim." (Office Action dated 11/24/09, page 8). Applicant disagrees and respectfully submits that the claims that use wherein clauses do so to recite a feature of the claim, not merely an intended use. For example, claim 15 recites

> determine that the registered investment fund has a net share outflow, **wherein the net share outflow comprises** the registered investment fund having an excess number of shares being redeemed, excluding shares

> redeemed by the liquidity vehicle, in comparison to a number of shares being purchased, excluding shares purchased by the liquidity vehicle, over a predetermined amount of time.

(emphasis added).

The above-emphasized wherein clause clarifies what is determined -- the net share outflow -- not an intended use. Should the Examiner continue to characterize the wherein clauses of the present application as adding nothing to the patentability or substance of the claims, applicant respectfully requests further explanation as to which specific clauses are the subject of this claim interpretation and further detail to support the alleged claim interpretation.

Improper Suggestion or Motivation to Modify/Combine the References

Applicant respectfully submits that Goodwin does not teach or suggest a combination with Norris and the Herald and that neither Norris nor the Herald teach or suggest a combination with Goodwin. Furthermore, Norris and the Herald teach away from one another. A squeeze, as described in Norris, occurs when investors are trying to <u>buy large quantities of a bond</u>. In contrast, the Herald describes a government intervention in response to investors <u>rushing to cash out</u> of large quantities of an investment.

The Examiner argues that the motivation to combine the Herald with Goodwin and Norris "to provide liquidity through financial mechanisms that are known in the art." (Office Action dated 11/24/09, page 9). Applicant disagrees and submits that Norris and the Herald deal with two differing concepts of liquidity. Norris discloses <u>market liquidity</u>: keeping a stable price for a security so that the security will be purchased on the

market. The Herald discloses financial liquidity for investment trust companies in order for the companies to be able to pay out redemptions made by investors. It is respectfully submitted that Norris and the Herald disclose opposing financial situations.

Applicant submits that a proposed combination of references cannot change the principle of operation of a reference. (MPEP §2143.01 VI.). Given that the two references disclose opposing financial situations, the combination of Norris and the Herald would require completely modifying or ignoring the principle of operation of one or the other. The commonality of use of the term "liquidity" does not overcome the two references' fundamentally opposed purposes and goals.

In response to applicant's previous argument against the combination of references, the Examiner alleges that the argument "is based upon the intended use of each respective invention and not the combination of the references." (Office Action dated 11/24/09, pages 12-13). Applicant has discussed the principle of operation of each reference to show that the combination is improper - "if the proposed modification or combination of the prior art would change the principle of operation of the prior art invention being modified, then the teachings of the references are not sufficient to render the claims prima facie obvious." (MPEP §2143.01 VI.)

The Examiner further responds to applicant's argument against the combination of references by stating that one "cannot show nonobviousness by attacking references individually where the rejections are based on the combinations of references. See In re Keller." (Office Action dated 11/24/09, page 13). Applicant disagrees and respectfully submits that the Examiner has misapplied *In re Keller*. In *Keller*, the Examiner relied upon the teachings of two primary references, each one combined with

a secondary reference. In response, the appellant submitted evidence of non-obviousness that consisted only of a single affidavit that was only in regard to the secondary reference. (In re Keller, 642 F.2d 413, 422-23 and 426 (CCPA 1981)). The affidavit was found to be insufficient evidence of non-obviousness because it only attacked the <u>single</u> secondary reference in an attempt to overcome a rejection based upon multiple references - i.e., it was the lack of addressing the other reference, <u>not</u> that each reference was discussed individually. In contrast to *Keller*, applicant in the present application has discussed and argued each of the references - i.e., all of them, not just one of them. Furthermore, applicant has discussed each reference individually to demonstrate that the combination of references itself is improper.

Additionally, applicant's arguments are not merely a recognition of "another advantage which would flow naturally from following the suggestion of the prior art" as asserted by the Examiner, but rather focus on the ***principle of operation*** of the references. (Office Action dated 11/24/09, page 13).

Furthermore, the Herald teaches away from the use of repurchase agreements. The article in the Korea Herald highlights criticism of the government's plan - e.g., the article is entitled "Critics say government's market stabilization policy short-sighted." The Herald continues in its criticism by stating the repurchase agreements will result in domestic creditors having to shoulder $2 billion worth of foreign debts in addition to their own losses in Daewoo companies. The article includes quotes from a senior economist from the Korea Institute of Finance stating that, despite the use of repurchase agreements, the structural weakness remains, the approach does not inspire the market and will not resolve the fundamental problem, and that the "government should have

focused more on strengthening the market, giving it more power to fight and resolve problems without needing state help all the time." (The Herald, page 2).

Applicant respectfully submits that the rejection is the result of impermissible hindsight reconstruction, using applicant's claims as a frame while selecting components from differing references to fill the gaps of this mosaic obviousness argument. (see *Interconnect Planning Corp. v. Feil*, 774 F2d 1132, 1143 (Fed. Cir. 1985)). Applicant respectfully submits that the Examiner's categorization of the references systems are used for providing liquidity oversimplifies and overlooks the details of the references themselves. Goodwin describes a system to facilitate the buying and selling of secondary loans over the Internet because "[t]rading and originating commercial loans currently is handled in a costly, labor-intensive, and time-consuming manner. The lack of a centralized clearing mechanism for commercial loans hampers both sellers and buyers of commercial loans." (Goodwin, col. 1, lines 40-44). Norris describes a repurchase agreement lending facility for bonds in order to allow the business to increase the ease of selling the debt without movement in price due to the debt going "special" and being "squeezed." (Norris, paragraphs [0002]-[0007]). The Herald describes a government bailout to enable banks to buy bonds via repurchase agreements. (Herald, pages 1-2). The Herald, in contrast to Goodwin and Norris, describes a one-time bailout to stabilize a market <u>not</u> a system or method for facilitating buying and selling of shares. The Examiner argues that "so long as it takes into account only knowledge which was within the level of ordinary skill at the time the claimed invention was made, and does not include knowledge gleaned only from the applicant's disclosures, such a reconstruction is proper." (Office Action dated 11/24/09,

pages 13-14). Applicant respectfully submits, however, that the motivation to combine components from these references is based upon impermissible hindsight gleaned <u>only from applicant's disclosure</u>. The use of three disparate references that, as argued above, have opposing principles of operation, and one reference that criticizes the use of repurchase agreements, indicates that the combination was the result of impermissible hindsight. "It is impermissible to use the claimed invention as an instruction manual or 'template' to piece together the teachings of the prior art so that the claimed invention is rendered obvious … 'one cannot use hindsight reconstruction to pick and choose among isolated disclosures in the prior art to deprecate the claimed invention.'" (*In re Fritch*, 972 F.2d 1260, 1266 (Fed. Cir. 1992)).

Accordingly, it is respectfully submitted that it would be impermissible hindsight to combine Goodwin, Norris, and the Herald.

The Combination of Goodwin, Norris, and the Herald fails to disclose all of the features of independent claims 1, 15, 16, and 17.

Even if Goodwin, Norris, and the Herald were combined, the combination would fail to disclose

> determining … that the registered investment fund has a net share outflow, wherein the net share outflow comprises the registered investment fund having an excess number of shares being redeemed, excluding shares redeemed by the liquidity vehicle, in comparison to a number of shares being purchased, excluding shares purchased by the liquidity vehicle, over a predetermined amount of time.

(Claim 1).

Applicant agrees with the Examiner that neither Goodwin nor Norris discloses a registered investment fund having a net share outflow over a predetermined amount of time. Accordingly, Goodwin and Norris fail to disclose determining that a registered investment fund has a net share outflow. The Examiner, however, relies upon the Herald as allegedly describing a net share outflow. The Herald, however, only states that "banks will help cash-strapped investment trust companies and brokerage houses through repurchase agreements" and that the "central bank will buy bonds from investment trust companies ***if withdrawals are greater than expected***." (The Herald, Abstract and page 2) (emphasis added). None of the references discloses determining that a registered investment fund has an excess number of shares being redeemed, excluding shares redeemed by the liquidity vehicle, in comparison to a number of shares being purchased, excluding shares purchased by the liquidity vehicle, over a predetermined amount of time. "In determining the differences between the prior art and the claims, the question under 35 U.S.C. 103 is not whether the differences themselves would have been obvious, but whether the claimed invention as a whole would have been obvious." (MPEP 2141.02 citing *Stratoflex, Inc. v. Aeroquip Corp.*, 713 F.2d 1530 (Fed. Cir. 1983)). Applicant respectfully submits that the present rejection fails to consider the claim as a whole, improperly distills the claim to a "gist," and that "[a]ll words in a claim must be considered in judging the patentability of that claim against the prior art." (MPEP §2141.02 and §2143.03 quoting *In re Wilson*, 424 F.2d 1382, 1385 (CCPA 1970)). Each term in a claim must be, where reasonably possible, given meaning. (see *In re Greene*, 22 F.3d 1104). Applicant requests that the Examiner consider all of the claim language, e.g., "an excess number of shares being

redeemed, **excluding shares redeemed by the liquidity vehicle, in comparison to a number of shares being purchased, excluding shares purchased by the liquidity vehicle, over a predetermined amount of time**." (Claim 1) (emphasis added). Should the Examiner maintain this rejection, applicant respectfully requests that the Examiner explain how the Herald's disclosure of a central bank buying bonds from investment trust companies if withdrawals are greater than expected reads on the above-emphasized claim language.

Additionally, applicant submits that the combination of Goodwin, Norris, and the Herald fails to disclose

> prompting, by the computer server in response to the determination that the registered investment fund has a net share outflow, the registered investment fund to offer shares to the liquidity vehicle

(Claim 1).

The Examiner alleges that Goodwin discloses prompting an investment fund to offer shares to the liquidity vehicle. Applicant disagrees and submits the citations provided by the Examiner describe alerts/notifications for sellers but do not disclose prompting an investment fund to sell shares. For example, Goodwin discloses notifying potential sellers "whenever a Buyer has expressed interest in a financial product" and "when events impact his financial product" including "changes in valuation, confirmation of financial product pricing by the Analyzer, queries from Buyers, Bids made (highest Bid information)." (Goodwin, Col. 12 lines 20-25 and Table 1). Goodwin does not disclose prompting an investment fund to sell in response in response to the determination that the registered investment fund has a net share outflow.

The Examiner argues that the purpose of the prompts described in Goodwin is to let buyers and sellers "know of conditions and events, wherein this is a prompt for a buyer or seller to act. Goodwin does not provide such alerts and notifications without purpose, but for the purpose of enabling buyers and sellers to capitalize on trading opportunities." (Office Action dated 11/24/09, page 16). Applicant disagrees with the Examiner's assessment of Goodwin. Goodwin does not describe using the alerts to prompt a buyer or seller to act. Instead, Goodwin's notifications are described as just that - a notice of an event impacting a financial product. Furthermore, even if the Examiner asserts that a notification inherently acts as a prompt, Goodwin does not disclose prompting an investment fund to sell ***in response in response to the determination that the registered investment fund has a net share outflow***. Furthermore, Goodwin does not disclose prompting an investment fund to ***sell to a liquidity vehicle***, with which the investment fund registered.

Norris also fails to disclose this limitation. Norris does not describe prompting of an investment fund, or any other potential seller, in response to any event.

The Herald describes a government measure that includes banks helping cash-strapped trust companies through repurchase agreements if investors rush to cash out. The Herald discusses an infusion of $32 billion in reserves to be used as a bailout, and then if "the amount is insufficient," banks will help with repurchase agreements. (The Herald, page 1, Abstract and page 2, first paragraph) (emphasis added). Therefore, the Herald describes repurchase agreements being made in response to the bailout being insufficient. The Herald does not discuss prompting investment trust companies to sell

or that such a prompting would occur in response to a number of shares being redeemed ***over a predetermined amount of time***.

Once again, applicant submits that the rejection fails to consider the claim as a whole, improperly distills the claim to a "gist," and that, instead, "[a]ll words in a claim must be considered in judging the patentability of that claim against the prior art." (MPEP §2141.02 and §2143.03 quoting *In re Wilson*, 424 F.2d 1382, 1385 (CCPA 1970)). Each term in a claim must be, where reasonably possible, given meaning. (see *In re Greene*, 22 F.3d 1104). Applicant requests that the Examiner consider all of the claim language, e.g., "prompting, in response to the determination that the registered investment fund has a net share outflow, the registered investment fund to offer shares to the liquidity vehicle." (Claim 1). Applicant respectfully submits that the Examiner has alleged a combination of a vague concept from the Herald of repurchase agreements to provide liquidity with the general concept of buyer/seller alerts from Goodwin. Applicant maintains that the claim features are not disclosed by the references and submits that prompting, in response to the determination that the registered investment fund has a net share outflow, the registered investment fund to offer shares to the liquidity vehicle is not inherently or implicitly disclosed by the combination of Goodwin, Norris, and the Herald. Should the Examiner maintain this rejection, applicant requests that the Examiner support this assertion with a reference.

The combination of Goodwin, Norris, and the Herald also fails to disclose

> redeeming at least one of the at least one purchased share from the registered investment fund ***in response to a net inflow of shares of the registered investment fund***.

(Claim 1) (emphasis added).

Goodwin does not disclose redeeming a purchased share.

Norris discloses repurchase agreements set by a fixed timeline/term: “Term is preferably overnight but may be for any term, intraday, multiple day, week, and multiple week, or other term acceptable to the issuer of the facility.” (Norris paragraph [0084]). The repurchase agreements contemplated by Norris are time dependent and therefore the redemption of a share does not follow a net share inflow.

The Examiner alleges that the Herald discloses entering repurchase agreements “when extra liquidity is required and then repurchasing the securities from a net inflow occurs [sic] and the extra liquidity is no longer required.” (Office Action dated 11/24/09, page 15). Applicant respectfully disagrees and submits that the Herald does not disclose what prompts redemption or repurchase -- it only describes avoiding a liquidity shortage. The Herald’s silence regarding the redemption of shares or termination of repurchase agreements leaves the combination of references with the disclosure from Norris that the repurchase agreements set by a fixed timeline/term.

The Examiner alleges that the repurchase agreements described in the Herald “are used for meeting short term liquidity needs, and are reversed or ‘undone’ when there is an inflow of cash and the need for liquidity no longer exists.” (Office Action dated 11/24/09, page 15). Applicant submits that this is not disclosed in the references cited by the Examiner. Applicant respectfully submits that the Examiner’s allegation of obviousness has no support in the references cited. The Examiner’s assertion that the Herald discloses that repurchase agreements are offered to address liquidity concerns in anticipation of a shortage of funds does not teach or suggest redeeming at least one of the at least one purchased share ***in response to a net inflow of shares of the***

registered investment fund. The combination of references only teaches the termination of a repurchase agreement ***based upon a fixed timeline*** -- <u>not</u> in response to a net inflow of shares of the registered investment fund. Should the Examiner maintain this rejection, applicant requests that the Examiner support this assertion with a reference.

Once again, applicant submits that the rejection fails to consider the claim as a whole, improperly distills the claim to a "gist," and that, instead, "[a]ll words in a claim must be considered in judging the patentability of that claim against the prior art." (MPEP §2141.02 and §2143.03 quoting *In re Wilson*, 424 F.2d 1382, 1385 (CCPA 1970)). Each term in a claim must be, where reasonably possible, given meaning. (see *In re Greene*, 22 F.3d 1104). Applicant requests that the Examiner consider all of the claim language, e.g., "redeeming at least one of the at least one purchased share from the at least one registered investment fund in response to a net inflow of shares of the registered investment fund." (Claim 1). The Examiner has alleged a combination of a vague concept from the Herald of repurchase agreements to provide liquidity with the general concept of repurchase agreements set by a fixed timeline/term from Norris. Applicant maintains that the claim features are not disclosed by the references and submits that redeeming at least one of the at least one purchased share from the at least one registered investment fund in response to a net inflow of shares of the registered investment fund is not inherently or implicitly disclosed by the combination of Goodwin, Norris, and the Herald. Should the Examiner maintain this rejection, applicant requests that the Examiner support this assertion with a reference.

Accordingly, applicant respectfully submits that the rejection of claim 1 has been overcome.

Given that claims 2, 3, and 5-14 are dependent claims with respect to claim 1, either directly or indirectly, and include additional limitations, applicant submits that claims 2, 3, and 5-14 are not obvious under 35 U.S.C. § 103(a) in view of Goodwin, Norris, and the Herald.

Claims 15-18, 20, and 22-23 stand rejected based upon the same art and rationale as claims 1-3 and 5-14. While claims 15-18, 20, and 22-23 differ from claims 1-3 and 5-14, they recite similar features to those argued above. Accordingly, applicant respectfully submits that claims 15-18, 20, and 22-23 are not obvious under 35 U.S.C. § 103(a) in view of Goodwin, Norris, and the Herald for at least the reasons discussed above.

CONCLUSION

Applicant respectfully submits that in view of the amendments and arguments set forth herein, the applicable objections and rejections have been overcome. Applicant reserves all rights under the doctrine of equivalents.

Pursuant to 37 C.F.R. 1.136(a)(3), applicant hereby requests and authorizes the U.S. Patent and Trademark Office to (1) treat any concurrent or future reply that requires a petition for extension of time as incorporating a petition for extension of time for the appropriate length of time and (2) charge all required fees, including extension of time fees and fees under 37 C.F.R. 1.16 and 1.17, to Deposit Account No. 02-2666.

Respectfully submitted,

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Date: March 24, 2010

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